

PROPOSITION 88

Date: July 20, 2006

Education Funding. Real Property Parcel Tax.

Initiative Constitutional Amendment and Statute.

Proponents: Joan L. Cassman and Steven D. Miller

BALLOT LABEL

**EDUCATION FUNDING. REAL PROPERTY PARCEL TAX.
INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.**

Imposes \$50 tax on each real property parcel to provide additional public school funding for kindergarten through grade 12. Exempts certain elderly, disabled homeowners from tax. Use of funds restricted to specific educational purposes.

Fiscal Impact: State parcel tax revenue of roughly \$450 million annually, allocated to school districts for specified education programs.

**SUBJECT TO COURT
ORDERED CHANGES**

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BALLOT TITLE AND SUMMARY

**EDUCATION FUNDING. REAL PROPERTY PARCEL TAX.
INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.**

- Provides additional public school funding for kindergarten through grade 12.
- Funded by \$50 tax on each real property parcel.
- Exempts certain elderly and disabled homeowners.
- Funds must be used for class size reduction, textbooks, school safety, Academic Success facility grants, and data system to evaluate educational program effectiveness.
- Provides for reimbursement to General Fund to offset anticipated decrease in income tax revenues due to increased deductions attributable to new parcel tax.
- Requires school district audits, penalties for fund misuse.
- Revenue excluded from minimum education funding (Proposition 98) calculations.

**Summary of Legislative Analyst's
Estimate of Net State and Local Government Fiscal Impact:**

- State parcel tax revenue of roughly \$450 million annually, allocated to school districts for specified education programs.

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